GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:2737
ANSWERED ON:12.12.2005
FREEZING OF PRICES OF ESSENTIAL MEDICINES BY FOREIGN PHARMACEUTICAL COMPANIES
Mehta Shri Bhubneshwar Prasad;Yadav Shri Mitrasen;Yadav Shri Sita Ram

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the foreign pharmaceutical companies have agreed to freeze the prices of 272 essential medicines which were earlier being sold at very high prices by them.

(b) if so, the details thereof; and

(c) the details of the Government policy in regard to stabilizing the prices of essential drugs?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS & MINISTER OF STEEL SHRI RAM VILAS PASWAN)

(a)to(c) : A Task Force under the Chairmanship of Dr. Pronab Sen, Principal Adviser, Planning Commission was constituted to explore options other than price control to make available life saving drugs at reasonable prices. During the course of discussions with the Task Force, various drug industry associations had proposed that the Government may freeze the prices of medicines at the present level. The Task Force has submitted its report to the Government on the 20m September, 2005. The Task Force has recommended inter-alia that the Government should announce the ceiling price of the drugs contained in the National List of Essential Medicines, 2003 (other than the drugs procured by hospitals directly and which an individual does not have tc purchase from the market) on the basis of the weighted average prices of the top three brands by value of single ingredient formulations prevailing in the market as on the 1s` April, 2005. Further, it was also recommended that during the transition period (i.e., till the time ceiling prices are fixed and notified) prices of all essential drugs may be frozen.

The Government is examining the recommendations of the Task Force. with various stakeholders and is likely to announce the new Pharmaceutical Policy shortiy. While formulating the new Pharmaceutical Policy, the Government would ensure that essential and life saving drugs are made available to the common man at reasonable prices.